

Senate Study Bill 1115

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON ZIEMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act changing the bid requirements for construction of certain
2 public improvements.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2230SC 80
5 av/sh/8

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1 1 Section 1. Section 18.6, subsection 9, paragraph a, Code
1 2 2003, is amended to read as follows:
1 3 a. When the estimated total cost of construction,
1 4 erection, demolition, alteration, or repair of a public
1 5 improvement exceeds ~~twenty-five~~ one hundred thousand dollars,
1 6 the department shall solicit bids on the proposed improvement
1 7 by publishing an advertisement in a print format. The
1 8 advertisement shall appear in two publications in a newspaper
1 9 published in the county in which the work is to be done. The
1 10 first advertisement for bids appearing in a newspaper shall be
1 11 not less than fifteen days prior to the date set for receiving
1 12 bids. The department may publish an advertisement in an
1 13 electronic format as an additional method of soliciting bids
1 14 under this paragraph.

1 15 Sec. 2. Section 18.6, subsection 16, Code 2003, is amended
1 16 to read as follows:

1 17 16. The department shall not award a contract to a bidder
1 18 for a construction, reconstruction, demolition, or repair
1 19 project or improvement with an estimated cost that exceeds
1 20 ~~twenty-five~~ one hundred thousand dollars in which the bid
1 21 requires the use of inmate labor supplied by the department of
1 22 corrections, but not employed by private industry pursuant to
1 23 section 904.809, to perform the project or improvement.

1 24 Sec. 3. Section 35A.10, subsection 2, Code 2003, is
1 25 amended to read as follows:

1 26 2. The commandant and the commission shall have plans and
1 27 specifications prepared by the department of general services
1 28 for authorized construction, repair, or improvement projects
1 29 in excess of ~~twenty-five~~ one hundred thousand dollars. An
1 30 appropriation for a project shall not be expended until the
1 31 department of general services has adopted plans and
1 32 specifications and has completed a detailed estimate of the
1 33 cost of the project, prepared under the supervision of a
1 34 registered architect or registered professional engineer.

1 35 Sec. 4. Section 35A.10, subsection 3, Code 2003, is
2 1 amended to read as follows:

2 2 3. The director of the department of general services
2 3 shall, in writing, let all contracts for authorized
2 4 improvements in excess of ~~twenty-five~~ one hundred thousand
2 5 dollars in accordance with chapter 18. The director of the
2 6 department of general services shall not authorize payment for
2 7 construction purposes until satisfactory proof has been
2 8 furnished by the proper officer or supervising architect that
2 9 the parties have complied with the contract.

2 10 Sec. 5. Section 73A.2, Code 2003, is amended to read as
2 11 follows:

2 12 73A.2 NOTICE OF HEARING.

2 13 Before any municipality shall enter into any contract for
2 14 any public improvement to cost ~~twenty-five~~ one hundred
2 15 thousand dollars or more, the governing body proposing to make
2 16 the contract shall adopt proposed plans and specifications and
2 17 proposed form of contract, fix a time and place for hearing at
2 18 the municipality affected or other nearby convenient place,
2 19 and give notice by publication in at least one newspaper of
2 20 general circulation in the municipality at least ten days
2 21 before the hearing.

2 22 Sec. 6. Section 73A.18, Code 2003, is amended to read as

2 23 follows:

2 24 73A.18 WHEN BIDS REQUIRED == ADVERTISEMENT == DEPOSIT.

2 25 When the estimated total cost of construction, erection,
2 26 demolition, alteration or repair of a public improvement
2 27 exceeds ~~twenty-five~~ one hundred thousand dollars, the
2 28 municipality shall advertise for bids on the proposed
2 29 improvement by two publications in a newspaper published in
2 30 the county in which the work is to be done. The first
2 31 advertisement for bids shall be not less than fifteen days
2 32 prior to the date set for receiving bids. The municipality
2 33 shall let the work to the lowest responsible bidder submitting
2 34 a sealed proposal. However, if in the judgment of the
2 35 municipality bids received are not acceptable, all bids may be
3 1 rejected and new bids requested. A bid shall be accompanied,
3 2 in a separate envelope, by a deposit of money or a certified
3 3 check or credit union certified share draft in an amount to be
3 4 named in the advertisement for bids as security that the
3 5 bidder will enter into a contract for the doing of the work.
3 6 The municipality shall fix the bid security in an amount equal
3 7 to at least five percent, but not more than ten percent of the
3 8 estimated total cost of the work. The checks, share drafts or
3 9 deposits of money of the unsuccessful bidders shall be
3 10 returned as soon as the successful bidder is determined, and
3 11 the check, share draft or deposit of money of the successful
3 12 bidder shall be returned upon execution of the contract
3 13 documents. This section does not apply to the construction,
3 14 erection, demolition, alteration or repair of a public
3 15 improvement when the contracting procedure for the doing of
3 16 the work is provided for in another provision of law.

3 17 Sec. 7. Section 161C.2, subsection 1, paragraph b, Code
3 18 2003, is amended to read as follows:

3 19 b. Any work project with an estimated cost of ~~twenty-five~~
3 20 one hundred thousand dollars or more shall be undertaken as a
3 21 public contract as provided in chapters 73A and 573. The
3 22 local contracting organization shall designate a contracting
3 23 officer and shall establish procedures to manage the contract,
3 24 approve bills for payment, and review proposed change orders
3 25 or amendments to the contract.

3 26 Sec. 8. Section 262.34, unnumbered paragraph 1, Code 2003,
3 27 is amended to read as follows:

3 28 When the estimated cost of construction, repairs, or
3 29 improvement of buildings or grounds under charge of the state
3 30 board of regents exceeds ~~twenty-five~~ one hundred thousand
3 31 dollars, the board shall advertise for bids for the
3 32 contemplated improvement or construction and shall let the
3 33 work to the lowest responsible bidder. However, if in the
3 34 judgment of the board bids received are not acceptable, the
3 35 board may reject all bids and proceed with the construction,
4 1 repair, or improvement by a method as the board may determine.
4 2 All plans and specifications for repairs or construction,
4 3 together with bids on the plans or specifications, shall be
4 4 filed by the board and be open for public inspection. All
4 5 bids submitted under this section shall be accompanied by a
4 6 deposit of money, a certified check or a credit union
4 7 certified share draft in an amount as the board may prescribe.

4 8 Sec. 9. Section 297.8, Code 2003, is amended to read as
4 9 follows:

4 10 297.8 EMERGENCY REPAIRS.

4 11 When emergency repairs costing more than ~~twenty-five~~ one
4 12 hundred thousand dollars are necessary in order to prevent the
4 13 closing of any school, the provisions of the law with
4 14 reference to advertising for bids shall not apply, and in that
4 15 event the board may contract for such emergency repairs
4 16 without advertising for bids. However, before such emergency
4 17 repairs can be made to any schoolhouse, it shall be necessary
4 18 to procure a certificate from the area education agency
4 19 administrator that such emergency repairs are necessary to
4 20 prevent the closing of the school.

4 21 Sec. 10. Section 330A.12, Code 2003, is amended to read as
4 22 follows:

4 23 330A.12 AWARD OF CONTRACT.

4 24 All contracts entered into by an authority for the
4 25 construction, reconstruction, and improvement of aviation
4 26 facilities shall be entered into pursuant to and shall comply
4 27 with chapter 73A. However, where an authority determines an
4 28 emergency exists, it may enter into contracts obligating the
4 29 authority for not in excess of ~~twenty-five~~ one hundred
4 30 thousand dollars per emergency without regard to the
4 31 requirements of chapter 73A and the authority may proceed with
4 32 the necessary action as expeditiously as possible to the
4 33 extent necessary to resolve such emergency.

4 34 Sec. 11. Section 331.341, subsection 1, Code 2003, is
4 35 amended to read as follows:

5 1 1. When the estimated cost of a public improvement, other
5 2 than improvements which may be paid for from the secondary
5 3 road fund, exceeds ~~the amount specified in section 309.40 one~~
5 4 ~~hundred thousand dollars~~, the board shall follow the contract
5 5 letting procedures provided for cities in sections 384.95 to
5 6 384.103. However, in following those sections the board shall
5 7 substitute the word "county" for the word "city", section
5 8 331.305 for section 362.3, shall consider "governing body" to
5 9 mean the board, and shall exclude references to a city
5 10 utility, utility board of trustees, or public utilities. As
5 11 used in this section, "public improvement" means the same as
5 12 defined in section 384.95 as modified by this subsection.

5 13 Sec. 12. Section 384.96, Code 2003, is amended to read as
5 14 follows:

5 15 384.96 SEALED BIDS.

5 16 When the estimated total cost to a city of a public
5 17 improvement exceeds the sum of ~~twenty-five one hundred~~
5 18 thousand dollars, the governing body shall advertise for
5 19 sealed bids for the proposed improvement by publishing a
5 20 notice to bidders as provided in section 362.3, except that
5 21 the notice to bidders may be published more than twenty days
5 22 but not more than forty-five days before the date for filing
5 23 bids.

5 24 Sec. 13. Section 384.102, Code 2003, is amended to read as
5 25 follows:

5 26 384.102 WHEN HEARING NECESSARY.

5 27 When the estimated total cost of a public improvement
5 28 exceeds the sum of ~~twenty-five one hundred~~ thousand dollars,
5 29 the governing body shall not enter into a contract for the
5 30 improvement until it has held a public hearing on the proposed
5 31 plans, specifications, and form of contract, and estimated
5 32 cost for the improvement. Notice of the hearing must be
5 33 published as provided in section 362.3. At the hearing any
5 34 interested person may appear and file objections to the
5 35 proposed plans, specifications, contract, or estimated cost of
6 1 the improvement. After hearing objections, the governing body
6 2 shall by resolution enter its decision on the plans,
6 3 specifications, contract, and estimated cost.

6 4 Sec. 14. Section 904.314, unnumbered paragraph 1, Code
6 5 2003, is amended to read as follows:

6 6 The director shall cause plans and specifications to be
6 7 prepared by the department of general services for all
6 8 improvements authorized and costing over ~~twenty-five one~~
6 9 ~~hundred~~ thousand dollars. An appropriation for any
6 10 improvement costing over ~~twenty-five one hundred~~ thousand
6 11 dollars shall not be expended until the adoption of suitable
6 12 plans and specifications, prepared by a competent architect
6 13 and accompanied by a detailed statement of the amount,
6 14 quality, and description of all material and labor required
6 15 for the completion of the improvement.

6 16 Sec. 15. Section 904.315, Code 2003, is amended to read as
6 17 follows:

6 18 904.315 CONTRACTS FOR IMPROVEMENTS.

6 19 The director of the department of general services shall,
6 20 in writing, let all contracts for authorized improvements
6 21 costing in excess of ~~twenty-five one hundred~~ thousand dollars
6 22 under chapter 18. Upon prior authorization by the director,
6 23 improvements costing five thousand dollars or less may be made
6 24 by the superintendent of any institution.

6 25 A contract is not required for improvements at a state
6 26 institution where the labor of inmates is to be used if the
6 27 contract is not for a construction, reconstruction,
6 28 demolition, or repair project or improvement with an estimated
6 29 cost in excess of ~~twenty-five one hundred~~ thousand dollars.

6 30 EXPLANATION

6 31 This bill changes the threshold requirement for advertising
6 32 for bids for a contract for the construction of a public
6 33 improvement from an estimated cost of \$25,000 to an estimated
6 34 cost of \$100,000. The bill applies to contracts entered into
6 35 by the state department of general services; the veterans
7 1 affairs commission; municipalities including townships, school
7 2 corporations, the state fair board, and the state board of
7 3 regents; soil and water conservation districts; aviation
7 4 authorities; counties; cities; and the state department of
7 5 corrections.

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